



United States
Department of
Agriculture

Rural
Housing
Service

Oregon AN No. 1229(1940 and 426.2)

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August 5, 2002

SUBJECT: Guaranteed Rural Housing (GRH) Program
Exception Authority - First Floor Habitable Space Elevation
Below the 100-Year Flood Plain Level

TO: Rural Development Managers
Rural Development
Oregon

PURPOSE/INTENDED OUTCOME:

RD Instruction 426.2 was published in 1974, and is currently in the process of beginning to be revised. For Rural Housing Service (RHS) Single Family Housing programs, it is expected that the revised instruction will no longer require that a dwelling's first floor habitable elevation be above the 100-year flood plain base elevation measurement. Removal of the first flood elevation requirement will allow RHS to better serve rural residents who need to purchase homes or improve their existing homes. The Agency's interest will be protected in that appropriate level of flood insurance will be maintained on all affected houses.

COMPARISON WITH PREVIOUS AN:

No previous State AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

National Office has authorized an exception to the current RD instruction 426.2, that requires the first floor habitable elevation to be above the 100-year flood plain base elevation. The exception is subject to the following conditions:

- A. The exception applies to Fiscal Year 2002 and 2003 loans only. Continuation beyond FY 2003 will require an extension of the National Office waiver.

EXPIRATION DATE:
August 1, 2003

FILING INSTRUCTIONS:
Proceeding RD Instruction 1940-G
And 426.2

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USDA, Director, Office of Civil Rights, Washington, DC 20250-9410

- B. The exception applies only to existing dwellings that are eligible for flood insurance through the National Flood Insurance Program. New dwellings are not eligible for consideration under this exception authority.
- C. All RD Instruction 1940-G requirements must be met, which include:
1. FEMA Form 81-93, "Standard Flood Hazard Determination" obtained.
 2. The Agency must complete Form 1940-21, "Environmental Assessment for Class 1 Action". The alternative analysis should be documented as an Exhibit to item 7 of the form.
 3. The Agency Loan Approval official must document the file with a "Finding of No Significant Environmental Impact" (FONSI). See Exhibit I to RD 1940-G.
 4. The Agency must provide a private party notification to the applicant(s) of the hazards associated with locating within a flood plain.
- D. All other applicable loan program requirements must be met.

If you have any questions regarding this Administrative Notice (AN), please feel free to contact Single Family Housing at (503) 414-3335.


LYNN SCHOESSLER
State Director

Attachment